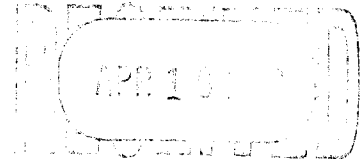


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



W-03514A  
Payson Water Co., Inc.  
P. O. Box 82218  
Bakersfield CA 93380

**ANNUAL REPORT**

*Entered  
4/30/03  
Cym*  
*2002  
assessment  
ab updated  
Cym.*

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2002</b>
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FOR COMMISSION USE

<b>ANN 84</b>	<b>02</b>
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OK

## COMPANY INFORMATION

**Company Name (Business Name)** PAYSON WATER COMPANY, INC

**Mailing Address** P.O.BOX 82218

(Street)

**BAKERSFIELD**

**CA**

**93380**

(City)

(State)

(Zip)

**(661) 633-7546**

**(800) 748-6981**

**(661) 428-5453**

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** rth@brookeutilities.com

**Local Office Mailing Address** P.O.BOX 82218

(Street)

**BAKERSFIELD**

**CA**

**93380**

(City)

(State)

(Zip)

**(661) 633-7546**

**(800) 748-6981**

**(661) 428-5453**

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** rth@brookeutilities.com

## MANAGEMENT INFORMATION

**Management Contact:** ROBERT T. HARDCASTLE

**PRESIDENT**

(Name)

(Title)

**P.O.BOX 82218**

**BAKERSFIELD**

**CA**

**93380**

(Street)

(City)

(State)

(Zip)

**(661) 633-7526**

**(800) 748-6981**

**(661) 978-4777**

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** rth@brookeutilities.com

**On Site Manager:** DEAN SHAFFER

(Name)

**1011 S. STOVER ROAD**

**PAYSON**

**AZ**

**85541**

(Street)

(City)

(State)

(Zip)

**(928) 474-8130**

**(928) 474-1695**

**(928) 970-0437**

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** deans@brookeutilities.com

**Statutory Agent:** ROBERT T. HARDCASTLE

(Name)

P.O.BOX 82218

BAKERSFIELD

CA

83380

(Street)

(City)

(State)

(Zip)

(661) 633-7526

(800) 748-6981

(661) 978-4777

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** JAY SHAPIRO @ FENNEMORE CRAIG

(Name)

3003 N. CENTRAL AVE., STE 2600, PHOENIX

AZ

85012-2913

(Street)

(City)

(State)

(Zip)

(602) 916-5366

(602) 916-5566

N/A

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☒ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME: PAYSON WATER COMPANY, INC**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D (OC less AD)</b>
301	Organization	300	214	86
302	Franchises			
303	Land and Land Rights	22,391	9,897	12,494
304	Structures and Improvements	194,352	101,190	93,162
307	Wells and Springs	340,366	173,159	167,207
311	Pumping Equipment	170,241	70,685	99,556
320	Water Treatment Equipment	13,203	2,959	10,243
330	Distribution Reservoirs and Standpipes	335,776	134,263	201,514
331	Transmission and Distribution Mains	589,717	289,735	299,983
333	Services	109,497	60,233	49,265
334	Meters and Meter Installations	192,339	61,273	131,066
335	Hydrants	1,589	273	1,316
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	409,889	215,653	194,236
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	6,793	842	5,951
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	495	46	450
	<b>TOTALS</b>	<b>2,386,949</b>	<b>1,120,422</b>	<b>1,266,527</b>

This amount goes on the Balance Sheet Acct. No.108



**COMPANY NAME: PAYSON WATER COMPANY, INC**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization	300	2.76%	8
302	Franchises			
303	Land and Land Rights	22,391	3.12%	699
304	Structures and Improvements	194,352	3.20%	6,218
307	Wells and Springs	340,366	3.19%	10,846
311	Pumping Equipment	170,241	3.02%	5,136
320	Water Treatment Equipment	13,203	2.78%	367
330	Distribution Reservoirs and Standpipes	335,776	3.00%	10,063
331	Transmission and Distribution Mains	589,717	3.09%	18,238
333	Services	109,497	3.14%	3,443
334	Meters and Meter Installations	192,339	2.98%	5,728
335	Hydrants	1,589	3.20%	51
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	409,889	3.20%	13,116
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	6,793	3.20%	217
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	495	3.20%	16
	<b>TOTALS</b>	<b>2,386,949</b>	<b>3.11%</b>	<b>74,147</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No.403.



**COMPANY NAME: PAYSON WATER COMPANY, INC**

**BALANCE SHEET**

<b>Acct. No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ -	\$ -
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	19,700	17,597
146	Notes/Receivables from Associated Company		
151	Plant Materials and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	(730)	(730)
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 18,970</b>	<b>\$ 16,866</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 2,303,285	\$ 2,386,949
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(1,046,275)	(1,120,422)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 1,257,010</b>	<b>\$ 1,266,527</b>
	<b>DEFERRED INCOME TAX DEBITS</b>	<b>\$ 516,000</b>	<b>\$ 516,000</b>
	<b>TOTAL ASSETS</b>	<b>\$ 1,791,980</b>	<b>\$ 1,799,394</b>

**COMPANY NAME: PAYSON WATER COMPANY, INC**

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 13,146	\$ 10,583
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	276,489	251,623
235	Customer Deposits	23,256	26,173
236	Accrued Taxes	12,687	13,802
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	20,279	17,703
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 345,857</b>	<b>\$ 319,884</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-term Notes and Bonds	\$ 94,391	\$ 69,510
	<b>Deferred Credits</b>		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 66,953	\$ 74,246
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	883,744	883,744
272	Less: Amortization of Contributions	(301,825)	(330,104)
281	Accumulated Deferred Income Taxes		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 648,872</b>	<b>\$ 627,885</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 1,089,120</b>	<b>\$ 1,017,279</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 646,630	\$ 646,630
211	Paid In Capital in Excess of Par Value	364,385	364,385
215	Retained Earnings	(308,155)	(228,900)
218	Proprietary Capital (Sole Props & Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ 702,860</b>	<b>\$ 782,115</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 1,791,980</b>	<b>\$ 1,799,394</b>

**COMPANY NAME: PAYSON WATER COMPANY, INC**

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 432,629	\$ 464,536
460	Unmetered Water Revenue		
474	Other Water Revenues	12,534	11,525
	<b>TOTAL REVENUES</b>	<b>\$ 445,163</b>	<b>\$ 476,060</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 104,454	\$ 117,997
610	Purchased Water	7,252	13,042
615	Purchased Power	40,032	36,847
618	Chemicals		604
620	Repairs & Maintenance		144
621	Office Supplies and Expense	19	
630	Outside Services	36,882	35,049
635	Water Testing	9,671	16,336
641	Rents	1,855	
650	Transportation Expenses		
657	Insurance - General Liability	203	
659	Insurance - Health and Life	5,619	8,767
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	36,067	31,532
403	Depreciation Expense	71,607	74,147
408	Taxes Other Than Income	26,820	29,551
408.11	Property Taxes	25,470	23,435
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 365,951</b>	<b>\$ 387,451</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 79,212</b>	<b>\$ 88,610</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income	260	
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(11,074)	(9,355)
	<b>TOTAL OTHER INCOME/EXPENSE</b>	<b>\$ (10,814)</b>	<b>\$ (9,355)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 68,398</b>	<b>\$ 79,255</b>



<b>COMPANY NAME: PAYSON WATER COMPANY, INC</b>
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**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN # 1	LOAN # 2	LOAN # 3	LOAN # 4
Date Issued	5/1/2000			
Source of Loan	Brooke Utilities			
ACC Decision No.	see below (1)			
Reason for loan	see below (2)			
Dollar Amount Issued	\$ 130,600			
Amount Outstanding	\$ 69,510			
Date of Maturity	4/30/2005			
Interest Rate	10%			
Current Year Interest	\$ 8,417			
Current Year Principal	\$ 24,882			

Meter Deposit Balance at Test Year End	\$ <u>74,246</u>
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Meter Deposits Refunded During the Test Year	\$ <u>9,078</u>
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(1) From C&S Water	ACC Decision # 62320	\$25,200
From United Utilities	ACC Decision # 62401	<u>\$105,400</u>
		\$130,600

(2) The purpose of the loan was to finance capital expenditure project to improve water system infrastructures.

<b>Company Name</b>	PAYSON WATER CO., INC.
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### WATER COMPANY PLANT DESCRIPTION

#### Wells

ADWR ID NO.	PUMP HP	PUMP YEILD(GPM)	CASING DEPTH (ft)	CASING Diameter (inches)	METER SIZE (INCHES)	YEAR DRILLED
55-621336	1	6.0	155.0	6"	U/A	U/A
55-515318	2	15.0	200.0	6"	3 /4	U/A
55-605247	2	25.0	100.0	8"	3 /4	U/A
55-519703	2	13.0	200.0	6"	3 /4	U/A
55-501383	2	9.0	120.0	6"	3 /4	U/A
55-538696	1.5	4.0	300.0	6"	2	U/A
55-621332	1	10.0	190.0	8"	3 /4	U/A
55-621335	1 /2	5.0	165.0	8"	3 /4	U/A
55-518599	2	21.0	100.0	6"	1	U/A
55-631113	5	12.0	550.0	6"	3 /4	U/A
55-500270	2	5.0	450.0	6"	3 /4	U/A
55-801698	2	5.0	400.0	6"	3 /4	U/A
55-801699	1	5.0	200.0	6"	3 /4	U/A
55-631112	1	5.0	250.0	6"	3 /4	U/A
55-513409	3	10.0	408.0	6"	3/ 4	U/A
55-556148	2	18.0	400.0	6"	3/4	U/A
55-631115	1	12.0	150.0	5"	3 /4	U/A
55-644405	2	4.0	20.0	8"	3 /4	U/A
55-621334	2	30.0	50.0	8"	2	U/A
55-621333	1	15.0	100.0	6"	3 /4	U/A
55-086809	2	9.0	240.0	6"	3 /4	U/A
55-512278	5	30.0	280.0	6"	1	U/A
55-645162		85.0	52.0	6"	2	U/A

#### OTHER WATER SOURCES

Name or Decsription	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

Booster Pumps		Fire Hydrants	
Horsepower	Quantity	Qty Standard	Quantity Other
3 HP	2	23	none
5HP	12		
7/5 HP	6		
1 /2 HP	1		
2	1		
10	1		
15 HP	1		

<b>Company Name</b>	PAYSON WATER CO., INC.
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### WATER COMPANY PLANT DESCRIPTION

<b>Storage Tanks</b>		<b>Pressure Tanks</b>	
Capacity	Quantity	Capacity	Quantity
8,000	1	350	4
10,000	3	500	1
12,000	1	1,000	2
15,000	3	1,500	1
20,000	1	2,000	7
30,000	1	5,000	2
40,000	1	30	1
60,000	1		
125,000	1		
160,000	1		

<b>Company Name</b>	PAYSON WATER CO., INC.
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**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

<b>MAINS</b>		
<b>SIZE</b> <b>(inches)</b>	<b>Material</b>	<b>Length</b> <b>(in feet)</b>
3 / 4	PVC	1,200
2"	PVC	18,390
2"	C900	1,200
2"	Galv.	12,100
2"	ABS	3,300
3"	PVC	7,810
3"	ABS	2,510
4"	PVC	29,840
4"	AC	79,760
4"	C900	2,900
5"		
6"	C900	10,440
6"	PVC	10,800
6"	AC	2,400
8"	C900	6,360
10"	None	
12"	None	

<b>CUSTOMER METERS</b>	
<b>SIZE</b> <b>(Inches)</b>	<b>Quantity</b>
5/8 x 3/4	
3 / 4	
1	
1 1/2	
2	
Comp 3	
Turbo 3	
Comp 4	
Turbo 4	
Comp 6	
Turbo 6	
<b>Total Connections</b>	<b>1,341</b>

**For the following three itmes, list the utility owned assets in each category**

**Treatment Equipment:**

Chlorinator(s)	7
Sand Filter	1

**Structures:**

3271 L.F. Fencing	
1- 16' x 24' Wood building	7- 8' x 8' Block building
1- 12' x 14' Wood building	1- 8' 6" x 18' 6" wood building
1- 16' x 30' Wo.	

**Other**

COMPANY NAME: Payson Water Co., Inc. Mead's Ranch 04-015

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	64	35,440	47,710
FEBRUARY	64	29,690	33,170
MARCH	64	36,888	42,010
APRIL	64	37,010	65,260
MAY	64	69,190	72,510
JUNE	64	103,660	119,510
JULY	64	92,990	97,810
AUGUST	64	64,630	95,550
SEPTEMBER	64	74,730	73,580
OCTOBER	64	93,880	107,740
NOVEMBER	64	43,160	38,450*
DECEMBER	64	54,620	79,860*
TOTAL		N/A	873,160

7356

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.0010 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	139	432,295	442,370
FEBRUARY	138	170,782	282,530
MARCH	139	276,960	272,840
APRIL	138	326,570	523,070
MAY	139	547,950	689,020
JUNE	138	603,980	476,510
JULY	138	541,440	538,620
AUGUST	138	436,610	527,170
SEPTEMBER	138	364,933	366,650
OCTOBER	138	397,877	322,390
NOVEMBER	139	305,840	371,310
DECEMBER	139	259,540	340,380
TOTAL		N/A <i>466,477</i>	5152860 *

\*Note: Well Readings and customer meter readings obtained 1-2 weeks apart

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 20.005 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	340	1,036,710	1,336,580
FEBRUARY	340	1,541,550	1,613,350
MARCH	340	1,251,745	1,323,060
APRIL	340	1,652,695	1,955,810
MAY	344	1,931,372	2,094,180
JUNE	346	2,381,886	2,415,050
JULY	346	2,507,896	2,472,120
AUGUST	346	1,901,706	2,077,050
SEPTEMBER	344	1,976,292	1,546,360
OCTOBER	344	1,570,248	1,491,860
NOVEMBER	344	1,257,070	1,561,230
DECEMBER	341	1,318,360	1,436,420
TOTAL		N/A	21,323,070

20327530

\*Note: Customer meters and well meters read on different cycles

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.0062 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME: Payson Water Co., Inc. Flowing Springs 04-027

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	25	107,690	84,410
FEBRUARY	25	62,220	91,820
MARCH	25	91,040	101,180
APRIL	25	104,840	154,680
MAY	25	174,680	258,510
JUNE	25	220,090	220,050
JULY	25	239,490	224,320
AUGUST	25	174,970	301,790
SEPTEMBER	25	194,930	134,180
OCTOBER	25	214,630	137,790
NOVEMBER	25	125,740	88,920
DECEMBER	25	60,660	153,960
TOTAL		N/A	1,951,610 *

\*Note: Well readings and customer meter readings obtained 1-2 weeks apart

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 40.005 mg/l  
(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*



**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	68	142,299	155,910
FEBRUARY	68	77,410	106,450
MARCH	68	95,650	112,710
APRIL	68	87,040	191,740
MAY	68	162,960	149,640
JUNE	68	219,000	184,870
JULY	68	201,710	263,070
AUGUST	68	191,690	203,370
SEPTEMBER	68	150,860	50,160
OCTOBER	68	85,680	117,720
NOVEMBER	68	88,060	127,300
DECEMBER	68	87,110	114,460
TOTAL		N/A	1,777,400

1589469

\* Note: Customer meters and well meters read on different cycles

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

(x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

(x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.005 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	238	1,478,969	1,380,170
FEBRUARY	245	899,648	2,033,570
MARCH	245	1,074,290	1,024,030
APRIL	251	1,173,140	1,668,650
MAY	253	1,609,150	2,504,530
JUNE	253	2,351,780	1,731,350
JULY	254	2,072,975	2,366,530
AUGUST	256	1,786,825	2,594,140
SEPTEMBER	258	1,666,640	1,476,600
OCTOBER	263	2,664,625	1,504,920
NOVEMBER	263	1,587,258	1,649,420
DECEMBER	266	1,284,626	1,518,040
TOTAL		N/A	21,451,950

\*Note: Customer meters and well meters read on different cycles

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.005 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME:

Payson Water Co., Inc. Whispering Pines 04-039

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	151	236,925	187,970
FEBRUARY	151	261,107	306,520
MARCH	151	227,009	311,360
APRIL	151	521,218	631,420
MAY	151	638,060	838,260
JUNE	151	778,680	663,950
JULY	151	759,317	710,420
AUGUST	151	473,347	641,780
SEPTEMBER	151	474,319	356,430
OCTOBER	151	376,572	435,430
NOVEMBER	151	330,185	312,400
DECEMBER	151	239,740	259,080
TOTAL		N/A	5,655,020

5316479

\*Note: Customer meters and well meters read on different cycles

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes                      (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 40.005 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME: Payson Water Co., Inc. Deer Creek 04-064

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	111	1,045,474	603,880
FEBRUARY	111	484,380	416,220
MARCH	111	547,120	714,630
APRIL	111	698,860	750,820
MAY	111	891,660	999,010
JUNE	113	803,570	793,170
JULY	114	923,816	934,190
AUGUST	115	899,794	911,210
SEPTEMBER	115	1,976,292	1,911,210
OCTOBER	115	1,570,248	604,650
NOVEMBER	115	1,257,070	561,990
DECEMBER	116	1,318,360	617,980
TOTAL		N/A	8,094,920

*12416644*  
\*Note: Customer meters and well meters read on different cycles

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.0054 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME: Payson Water CO., Inc. Gisela 04-346

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED
JANUARY	169	1,181,530	1,164,000
FEBRUARY	172	1,024,110	824,000
MARCH	172	243,320	1035200
APRIL	174	1,194,729	1,707,900
MAY	176	1,776,393	2,310,200
JUNE	174	1,832,238	2,131,900
JULY	176	1,986,670	1,350,400
AUGUST	178	2,024,336	1,790,800
SEPTEMBER	178	1,627,474	1,518,000
OCTOBER	176	1,792,700	1,359,800
NOVEMBER	176	778,700	945,400
DECEMBER	176	688,740	876,800
TOTAL		N/A	1,417,867

15150000

Note: Customer meters and well meters read on different cycles

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 40.003 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

Payson Water Company Inc.

System Name	No. Customers	Gallons Sold
Mead's Ranch	64	735888
East Verde Estates	139	4664777
Mesa Del Caballo	346	20327530
Flowing Springs	25	1770980
Geronimo Estates	68	1589469
Star Valley	266	19649926
Whispering Pines	151	5316479
Deer Creek	116	12416644
Gisela	178	15150940
Total	1353	81622633

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 24,454.90

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

#14449  
..... 12,686.85\*+  
#15437  
..... 11,250.48 +  
#15806  
..... 5 [REDACTED] +  
003  
..... 24,454.90 \*

COMPANY NAME PAYSON WATER COMPANY, INC

YEAR ENDING 12/31/2002

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>79,255</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>79,255</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
**SIGNATURE**  
\_\_\_\_\_  
**DATE**ROBERT T. HARDCASTLE  
**PRINTED NAME**PRESIDENT  
**TITLE**



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF CALIFORNIA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	KERN
NAME (OWNER OR OFFICIAL) TITLE	ROBERT T. HARDCASTLE PRESIDENT
COMPANY NAME	PAYSON WATER COMPANY, INC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

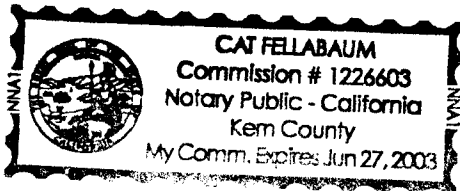
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 476,060

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 29,551  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10<sup>th</sup>

DAY OF

(SEAL)

MY COMMISSION EXPIRES 6.27-03

SIGNATURE OF OWNER OR OFFICIAL

(661) 633-7526

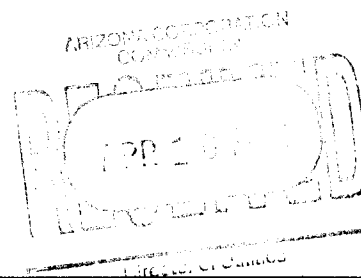
TELEPHONE NUMBER

COUNTY NAME	KERN
MONTH	APRIL
YEAR	2003

SIGNATURE OF NOTARY PUBLIC

Cat Fellabaum

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**



**VERIFICATION**

STATE OF CALIFORNIA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) KERN

NAME (OWNER OR OFFICIAL)

ROBERT T. HARDCASTLE

TITLE

PRESIDENT

COMPANY NAME

PAYSON WATER COMPANY, INC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

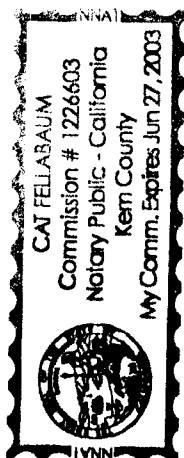
\$ 462,829

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 29,445

IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL



SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10<sup>th</sup>

DAY OF

(SEAL)

MY COMMISSION EXPIRES 6-27-03

NOTARY PUBLIC NAME CAT FELLABAUM	
COUNTY NAME KERN	
MONTH APRIL	20 03

X

SIGNATURE OF NOTARY PUBLIC

Payson Water Company, Inc  
P.O. Box 83218  
Bakersfield, CA 93380-2218

BANK OF AMERICA  
1440 TRUSTIN AVENUE  
BAKERSFIELD, CA 9330

158



11-2 35517 (2002) 11-2

**CHECK NO**

\*\*\*\*\* Five Hundred Seventeen and 57/100 \*\*\*\*\*

Dec 31 02

AMOUNT  
\$517.8

BILBA COUNTY TREASURER  
P.O. BOX 1093  
GLOBE, AZ  
85502

PAY  
TO THE  
ORDER  
OF

NO. 158061 41-220000010 14789-015251 10301054757

PAY TO THE ORDER OF  
BANK ONE, ARIZONA, NA  
PHOENIX, ARIZONA  
122100224  
FOR DEPOSIT ONLY  
GILA COUNTY TREASURER  
11804047

DO NOT WRITE STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION USE \*

121400024  
BANK OF AMERICA  
— A/T TEL —  
121400024

10

THE FOLLOWING INDICATE THE PRESENCE OF  
SECURITY FEATURES LOCATED ON THIS NOTE

- \* ADVANCED WATERMARK SERIES
- \* DMO SECURITY STRIPS
- \* OPTICAL VARIATION
- \* IR INK
- \* METALLIC PEARL
- \* MICROTYPED SERIALS

11/17/03 14:06  
1280621 06  
FBI NEW YORK

JA 03 06  
128062106



Payson Water Company, Inc  
P.O. Box 82218  
Bakersfield, CA 93380-2218

BANK OF AMERICA  
1440 TRUXTON AVENUE  
BAKERFIELD, CA 93301

2/ 34815 34816 34819 3481 34832 14449  
34834 34835 34836 34838 34841  
16-66 1220 CHECK NO. 34842

\*\*\*\*\* Twelve Thousand Six Hundred Eighty-Six and 85/100 \*\*\*\*\*

DATE

AMOUNT

Mar 27 02

\$12,686.85

PAY  
TO THE  
ORDER  
OF

GILA COUNTY TREASURER  
P.O. BOX 1093  
GLOBE, AZ  
85502

*[Signature]*

⑈014449⑈ ⑆122000661⑆ 14769⑈01525⑈

⑈0001268685⑈

PLEASE ENDORSE HERE

PAY TO THE ORDER OF  
BANK ONE, ARIZONA, NA  
PHOENIX, ARIZONA  
▲ 122100024 ▲  
FOR DEPOSIT ONLY  
GILA COUNTY TREASURER  
11804047

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION USE

0023 64947

▲ 122100024 ▲  
BANK ONE, NA  
PHOENIX, AZ  
▲ 122100024 ▲

122100024

THIS DOCUMENT INCLUDES THE FOLLOWING VALUE ADDED SECURITY FEATURES, EXCEPTING FSA GUIDELINES:

• ADVISORY: MICROFILM PRINTS

• TWO-SIDED SECURITY

• WATERMARK

04/03/02  
122000661

0000273000

AP 02' 02

122100024  
BANK ONE, NA  
PHOENIX, ARIZONA

122100024



Payson Water Company, Inc  
P.O. Box 82218  
Bakersfield, CA 93380-2218

A 26115

1/2 35180  
35181

BANK OF AMERICA  
1440 TRUXTON AVENUE  
BAKERSFIELD, CA 93301

35184  
35196

35197  
35199

35200  
35201  
35202

CHECK NO.

15437  
35203  
35205  
35206

\*\*\*\*\* Eleven Thousand Two Hundred Fifty and 48/100 \*\*\*\*\*

DATE

AMOUNT

Oct 15 02

\$11,250.48

GILA COUNTY TREASURER  
P.O. BOX 1093  
GLOBE, AZ  
85502

*[Signature]*

⑈015437⑈ ⑆122000661⑆ 14769⑈01525⑈

⑈0001125048⑈

10/23/02 LA, CA  
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50746 540 40012015440  
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BANK ONE, NA  
122100024  
10212002

5434193

PCT 21 02

▶ 100100024 ▶  
BANK ONE, NA  
— ANTIDISK —  
▶ 122100024 ▶  
▶ 122100024 ▶

1073 45450

PAY TO THE ORDER OF  
BANK ONE, ARIZONA, NA  
PHOENIX, ARIZONA  
FOR DEPOSIT ONLY  
GILA COUNTY TREASURER  
11804047